

YEAR 2003 ACTION PLAN

Resources

1. HUD Entitlement Grants

For the year 2003, the City of Atlanta anticipates the following allocations from the U.S. Department of Housing and Urban Development entitlement grants:

Community Development Block Grants (CDBG)	\$11,645,000
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 3,884,000
HOME Investment Partnership Program (HOME)	\$ 4,064,000
Emergency Shelter Grant (ESG)	\$ 426,000

Under the Tri-jurisdictional Continuum of Care, the City anticipates that a number of its homeless service agencies will receive funding for homeless/supportive housing initiatives in 2003, but the SuperNOFA grants have not yet been announced. In addition, program income for CDBG and for HOME will be determined shortly after 2002 program close-out. The 2003 Action Plan also includes the following reprogramming: \$520,478 from HOPWA, \$447,000 from HOME and \$2,320,286 from CDBG.

2. Other HUD Grant Resources/Economic Development

Other major HUD economic development resources during 2003 include Section 108 Loan Guarantees for Mechanicsville (\$4,400,000), and the Economic Development Initiative (EDI) grant for Mechanicsville (\$1,252,350) for a comprehensive redevelopment of the neighborhood. Although previously awarded, activities are expected to take place throughout 2003. Also, the Section 108 loan and EDI activities for the MLK/Ashby Historic Westside Village are ongoing and the next phases of housing development are expected to follow the shopping center.

3. Other HUD Grant Resources/Empowerment Zone (EZ) Renewal Community

The Atlanta Empowerment Zone is being converted to a Renewal Community and it is anticipated that a number of resources will continue to be available for not only EZ communities but also for the linkage communities in 2003. Although separate from the Consolidated Plan activities, many activities will be jointly planned and supported.

4. Other HUD Grant Resources/Special Projects

Two grants, in the amounts of \$370,000 and \$250,000, were awarded to assist in construction of a replacement facility for the MLK Community Center in the Auburn Avenue community. The facility opened in 2002 and grant close-out is expected in 2003.

5. Housing Related Resources

The City of Atlanta and its development community (both nonprofit and for-profit) aggressively pursue federal, state, and local resources to assist in the production and maintenance of affordable housing. As an Entitlement Community, the City of Atlanta carefully targets the use of its allocations to maximize housing production and community benefit. The Atlanta Housing Authority has been successful in obtaining HOPE VI grants for the

redevelopment of some older public housing communities into mixed income housing developments. Carver Homes received a \$34.6 million HOPE VI grant and completed the Phase I multi-family housing development in 2001. In 2002, \$500,000 of CDBG funds was added to the \$2.2 million of 2001 for continued work at Carver to be completed in 2003. AHA also received a HOPE VI grant for Perry Homes of \$25.1 million for the redevelopment of 152 acres. Demolition and planning are proceeding in 2002 with beginning construction in 2003. Other HOPE VI awards have been made for Capitol Homes and Harris Homes where planning is underway. The charts that follow show the resources currently received in the City and the types of financing that these resources provide.

Current Federal Resources

	Acquire	Rehab	New Construct	Homebuyer Assist.	Rental Assist.	Homeless Assist.	Homeless Prevent.
HOME	X	X	X	X			X
HOPE1		X					
HOPE2	X	X		X			
HOPE3	X	X		X			
HOPE6			X				
CDBG	X	X	X	X	X	X	X
EZ/ SSBG/RC	X	X	X	X			
Section 8					X		
Section 8 Mod. Rehab		X			X		
Section 811		X	X		X		
Section 202			X				
ESG	X	X				X	X
Rehab Investment Tax Credit		X					
Supportive Housing		X					
HOPWA	X	X	X		X	X	X
DOE		X	X				
Section 203K		X	X				

Non-Federal Public Resources

	Acquire	Rehab	New Construct	Homebuyer Assist.	Rental Assist.	Homeless Assist.	Homeless Prevent.
State of Georgia: Low Income Housing Tax Credit	X	X	X				
Georgia Housing Trust Fund for the Homeless	X	X	X			X	X
Landmark Historic Property Tax-Abatement		X					
Rehabilitation Historic Property Tax Abatement		X					
Secondary Market (Fannie Mae, Freddie Mac, LIMAC)		X	X	X			
ADA/URFA: Single-family Mortgage Revenue Bonds	X	X	X	X			
501(c)(3) Bond Issues	X	X	X	X			
Multi-Family Housing Revenue Bonds	X	X	X				
Tax Allocation Districts			X				
City of Atlanta: General Fund						X	X
Development Impact Fee Exemptions (COA)		X	X				
Housing Enterprise Zone Tax Abatement	X	X	X				
Atlanta/Fulton Land Bank Authority	X						

The Georgia Housing and Finance Authority (GHFA) administers the **Low Income Housing Tax Credits (LIHTC)** program. This program provides tax credits to projects based in the percentage of low-income units provided. These credits are sold to investors to provide equity for the deal. In 2002, three projects were awarded credits to be funded in 2002 from the CD/HOME Multi-Family Rehab program. Additionally, GHFA administers the **State Housing Trust Fund**. State awards are made directly to eligible non-profit organizations. The **Landmark Historic Property Tax Abatement Program** provides an 8 year tax abatement for income producing buildings designated as a Landmark and the **Rehabilitated Historic Property Tax Abatement Program** which provides an 8 year tax abatement for properties listed on the Georgia Register of Historic Places and have undergone major rehabilitation. The State's fiscal year runs from June 1 through May 31 and does not coincide with the City fiscal year.

The Atlanta Development Authority (ADA)/Urban Residential Finance Authority (URFA) issues tax exempt **single family mortgage revenue bonds** and uses the proceeds from the sale of bonds to provide mortgage loans to eligible home buyers. Home buyers may purchase existing, rehabilitated, or newly constructed homes for their principal residence. Loans are provided at below market interest rates for a term of thirty years. CDBG funds will continue in 2003 to provide down payment assistance through the Atlanta Affordable Housing Opportunities Program (AAHOP) to lower income home buyers who receive permanent financing through URFA.

URFA issues **multifamily housing revenue bonds** to provide financing for acquisition/new construction or acquisition/rehabilitation of multifamily units. Developers receive below-market interest rate permanent financing for

projects that increase the availability and affordability of rental housing stock in the City of Atlanta. URFA issues **501(c) 3 bonds** and loans them to nonprofit corporations for a variety of housing related projects. Proceeds from the sale of these bonds may be used for acquisition and rehabilitation of multifamily and single family projects.

The West Side (Farlie Poplar, Vine City, English Ave, and Techwood Dr.) **Tax Allocation Districts** was established to promote development including new and revitalized housing in the downtown/west side neighborhoods. For tax producing properties, future tax revenues are use to secure bond financing.

The City provides limited **General Fund** grants to support human service agencies. The **Development Impact Fee Exemptions** is provided to 100% exemption to developers of affordable housing priced less than \$89,850 (1.5 x median income) and 50% exemption to developers of affordable housing priced less than \$149,750 (2.5 x median income). Enterprise Zone applicants are also eligible to receive Development Impact Fee Exemptions.

Once designated, the City **Housing Enterprise Zone (HEZ) Tax Abatement** program, enables qualified developments ad valorem tax abatement for five (5) year and a reduced amount of taxes for years six through ten. Abatement is provided to both for profit and non-profit entities that produce affordable housing for rent and sale using Housing Enterprise Zone tax abatement programs.

The City encourages eligible non-profit organizations to also request funding directly from the State to maximize impact and minimize duplication of effort. Priority for funding using the City resources is given to projects demonstrating leveraged funding with non-federal and private resources.

The **Atlanta/Fulton County Land Bank Authority** provides a mechanism to return non-tax generating properties to a productive use, especially for the creation of housing, industrial development and jobs for low and moderate income citizens. In 2003, CDBG funding will continue to pay 50% of the Authority's operations.

Private Resources/For Profit

	Acquire	Rehab	New Construct.	Homebuyer Assist.	Rental Assist.	Homeless Assist.	Homeless Prevent.
Banks, Thrifts	X	X	X	X		X	
Bank of American CDC	X	X	X	X			
Wachovia CDC	X	X	X	X			
Fannie Mae/America in Communities Fund	X	X	X	X			
Georgia Power/Good Cents Program		X	X				
Georgia Pacific/Project Hope			X	X			
Federal Home Loan Bank Affordable Housing	X	X	X			X	X

Bank of America CDC along with other local financial institutions pooled permanent financing resources and provided loans for the purchase of new or existing homes by low and moderate families as their principal residence under a "First Time Home ownership" program.

Wachovia CDC along with other local financial institutions pooled permanent financing resources and provided loans for the purchase of new or existing homes by low and moderate families as their principal residence under a “First Time Home ownership” program.

The **Fannie Mae Foundation /America in Communities Fund** intends to provide a \$5 million principal investment to establish a revolving line of credit partially matched with local funds to promote the development of affordable housing. The City plans to implement the Housing Development Program (HDP) to provide acquisition, rehabilitation and new construction short-term loans and URFA implements the “Home Atlanta” program providing mortgage assistance loans for first time home buyers.

The **Georgia Power/Good Cents** Program provides grants to homeowners who builders or rehabilitate single family homes to meet energy efficiency standards. Newly constructed units are eligible for a \$2,000 grant while \$500 is provided for the rehabilitation heating, air conditioning systems or Weatherization of exiting homes to meet energy efficiency standards.

Georgia Pacific Corporation/Project Hope committed \$2,000,000 to the Clark-Atlanta University/Vine City area and has created Project HOPE, a non-profit organization, to build affordable housing.

Federal Home Loan Bank offers an Affordable Housing Program which awards low-cost financing on a competitive basis for affordable housing projects. The Community Investment Program (CIP) provides low-cost funds to member institutions for terms of one month to 20 years. These funds can be used for affordable housing projects and serve as an important source of private financing.

Non-Profit Resources

	Acquire	Rehab	New Construct	Homebuyer Assist.	Rental Assist.	Homeless Assist.	Homeless Prevent.
ANDP	X	X	X			X	
Local CDCs	X	X	X	X	X		
Enterprise Foundation		X					
United Way	X	X	X	X	X	X	X
Metro Atlanta Community Foundation					X		X
Atlanta Housing Equity Fund	X	X	X			X	

Atlanta Neighborhood Development Partnership (ANDP) Fund provides financial assistance and capacity building grants to neighborhood based CDC's working with ANDP's Housing Development Department. The \$3 million fund, comprised of funds pooled from private foundations such as the Ford Foundation (\$300,000), Coca-Cola (\$100,000), National Community Development Initiative (\$75,000), Atlanta Chamber of Commerce (\$25,000), and other private donors, is administered by ANDP and is available for operating support.

The **Enterprise Foundation** provides operational support to and provides acquisition and new constructions to non-profit community development organizations.

The **United Way** provides grants to non-profit community organizations with funding emphasis give to programs meeting basic needs, increasing self-sufficiency, strengthening families and nurturing children and youth. Many of the United Way recipients also receive Federal, State, and other local grants, which are leveraged with these private funds to support their initiatives. \$1 million in operating support for affordable homeownership programs was provide in the 13 county metropolitan area. The Individual Development Account (IDA) program provided home ownership training and matches purchasers savings 4:1 for down payment assistance to purchase a home. Approximately \$500,000 in matching funds were provided during the second year of the IDA program. In the fall of 2002 the United Way has begun an initiative for new plans on the homeless as spearheaded by the Mayor and Board.

Community Foundation for Greater Atlanta (CFGA) in its original trust form, was developed in 1951 by the City's four major banks to serve a variety of donors and has grown to become the 18th largest community foundation in the country with assets of over \$312 million CFGA was established as a non-profit vehicle for philanthropy and pools funds to provide grants to support various causes, including housing initiatives and capacity building of non-profit organizations in the 22-county metropolitan Atlanta area. Many of the CFGA recipients also receive Federal, State, and other local grants, which are leveraged with these private funds to support their initiatives.

The Atlanta Housing Equity Fund of \$5,500,000 was established as an investment pool to provide financing for rehabilitation of existing or construction of new single family, multi-family and SRO housing. The fund is administered by ANDP with resources from private corporate investors who purchase low income housing tax credits.

The Community Housing Resource Center with the use of Consolidated Plan funding has centralized intake for City housing rehabilitation programs. Through a "Rehab Roundtable" they coordinate limited resources among public and private groups engaging in housing rehabilitation.

Habitat for Humanity with the use of 2003 CDBG funds will acquire 21 properties in the following inner-city neighborhoods: English Avenue, Almond Park/Perry Homes, South Atlanta, Oakland City/Bush Mountain, Pittsburgh, Lakewood Heights, and Custer Avenue/McDonough Guice to construct 21 single-family detached homes on these sites and to sell them at no profit/interest to qualified first-time homebuyers whose income is 50% or less of the median household income in Metro Atlanta. Habitat builds on average 65 houses a year, leverages much private time and materials, and will celebrate their 700th home in the City shortly.

Geographic Distribution

The City's Community Development Impact Area (CDIA) consists of those census blockgroups in which 51% or nore of households have annual incomes at 80% or less of the SMSA median income.. Activities taking place in these areas may be eligible as area-benefit or direct benefit, depending on the nature of the project. Projects which impact low and moderate income Atlantans may also take place outside the CDIA. The large majority of CDBG, ESG and HOME funded activities take place within the CDIA, but the City's large housing programs are open to low and moderate income citizens throughout the City. The Housing Opportunities for Persons with AIDS (HOPWA) program funds activities throughout the metro-Atlanta area. It is the policy of the HOPWA program to provide resources to enable persons living with HIV/AIDS to access resources in the jurisdictions in which they live, to the extent possible. Maps show 2003 project locations and area of minority concentration, which to some extent, match the CDIA.

The CDBG Business Improvement Loan Program (BILF) has established criteria for the selection of commercial areas that are eligible for BILF assistance. The following 16 commercial areas are eligible under this program: Auburn Avenue, Bankhead Highway, Campbellton Plaza, Cascade Road, Dill Avenue, East Atlanta, Empowerment Zone,

Georgia Avenue, Heart of Atlanta, Kirkwood, Memorial Drive, MLK/Ashby, Pryor Road, Stewart-Lakewood, Techwood Park, and West End/Westview. The Special Commercial Facade and Code Improvement Program is a component of the BILF Program targeted to 6 commercial areas: Auburn Avenue, Bankhead Highway, Georgia Avenue, Kirkwood, Lakewood/Jonesboro, and MLK/Ashby.

The City has also adopted 32 housing enterprise zones and 6 residential/mixed use enterprise zones. These zones are identified in the City's Comprehensive Development Plan. The City has 2 industrial enterprise zones: the Atlanta Industrial Park and the Southside Industrial Park. Both parks are complete and were financed with CDBG grants and Section 108 loans, which have been repaid.

Since 1995, new redevelopment plans have been completed for: Butler/Auburn, English Avenue, Jonesboro Road, Mechanicsville, Old Fourth Ward, Peoplestown, Pryor Road Corridor, Simpson Road, and Stewart Avenue. Master plans have been completed for the Northwest Corridor, Castleberry Hills, Reynoldstown, and Jonesboro Road.

Racial/ Ethnic Composition

According to the results released to date from the 2000 U. S. Census, the City of Atlanta's current population is 416,474 persons. The City's racial composition is roughly as follows: 34% Caucasian, 62% African-American, and 2% Asian, and several other racial groups at less than 1% each but totaling the remaining 2% of the population. In 2003 the City is undertaking an analysis of all the new Census data for the purpose of updating the five year Consolidated Plan.

Homeless and Other Special Needs Categories

The City provides assistance to both homeless facilities and homeless service programs. In the 2003 program, the City will work with the private non-profit PRI, the State, and a local CDC composed of three churches to build the Hope House transitional housing facility for men on a site adjacent to City Hall (\$837,000 in CDBG funding). Trinity Church will expand its transitional housing program for men in recovery to a new site (\$900,000 CDBG). The new Young Adult Guidance Center facility opened in 2002 for young adult men, and improvements will continue to the Milton Avenue facility which is the City's emergency shelter facility for women. At the end of 2002 or beginning of 2003, CDBG funding in the amount of \$1.3 million will allow St. Jude's to purchase a former school building for a comprehensive center for homeless women in recovery and their children.

Other Actions To Meet Underserved Needs

1. Obstacles To Meeting Needs:

The Atlanta Outreach Consortium conducted a survey in August 1999 to identify "affordable housing obstacles and solutions." Forty respondents considered the following conditions as major barriers and threats to new and existing affordable housing: cost of housing and land, community resistance, gentrification and rising taxes, insufficient funding, the City's zoning policies, and the City's permitting and approval processes.

Other barriers to the development of new affordable housing units include: inadequate venture capital, construction loans, and permanent financing; limited development capacity of nonprofits to produce housing; high development costs; increased land costs attributable to commercial development; and the need for a standardized and simplified system for financing and delivering affordable housing. An additional problem is that financial institutions seem

reluctant to finance multi-family developments and housing for special needs populations, particularly if they are to be located in low-income neighborhoods.

Obstacles to meeting other underserved needs may result from many factors. Several obstacles which are often mentioned are: limited financial resources, community opposition to services/facilities within their neighborhoods, inadequate capacity by non-profit agencies to implement projects, and lack of communication network to maximize limited resources. The City will continue to work with other jurisdictions, agencies and citizens to address these concerns. The City's actions to address underserved needs during the 2003 Action Year are presented in HUD Tables 3 and 3A.

2. Public Housing:

In 2002, the City amended its Consolidated Plan for the purpose of updating all activities of the AHA including the new HOPE VI grants. The amendment is included in this 2003 plan.

Program Specific Requirements

In 2003, the City has anticipated some program income (as shown on Table III 424 Charts), and expects to continue enforcement activities with resale/recapture provisions as applicable. No other carryover funds are expected.

Basis for 2003 Priorities

Priorities for funding are based on identified needs in the five-year plan, the impact anticipated from available resources on these needs, and availability of resources from the City and other funding sources. More specifics are found in the five-year plan.